



REDUCING DISPARITIES | STRENGTHENING COOPERATION



**ACTIVE YOUTH** - Call no. 2017-1 (Call-ID)

**EEA and Norway Grants Fund for Youth Employment**

**CALL FOR PROPOSALS – CONCEPT NOTE PHASE**

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## Introduction

The Financial Mechanism Office ("the FMO") announces call no. 2017-1 seeking the submission of proposals for grants for transnational projects under the EEA and Norway Grants Fund for Youth Employment ("the Fund").

The Fund operates on the basis of calls designed and launched by the Donor States Norway, Iceland and Liechtenstein with support from their secretariat the FMO. The fund operator, a consortium consisting of Ecorys Polska and JCP, assists the FMO in implementing the Fund. The project selection will follow a two-step procedure, in which this call is the first step. Based on the assessment of submitted concept notes, successful applicants may continue to the second step.

Projects funded are intended to contribute towards the overall objectives of the EEA and Norway Grants<sup>1</sup>:

- Reducing economic and social disparities in the European Economic Area; and
- Strengthening relations of the Donor States Norway, Iceland and Liechtenstein with 15 Beneficiary countries<sup>2</sup> in Northern, Central and Southern Europe.

## EEA and Norway Grants Fund for Youth Employment

The Fund supports projects that promote sustainable and quality youth employment. The total amount available for projects is €60.6 million.

The projects supported must be transnational in nature. A transnational project is a project involving multiple partners situated in different countries. Eligible entities must apply as a consortium, consisting of entities from a minimum of two countries<sup>3</sup>. Please see chapter 2 for further information on eligibility.

Projects are expected to contribute towards the specific objective of the Fund:

- Strengthening transnational cooperation to address European challenges in the area of youth employment.

The following documents constitute the legally binding framework which applies to the Fund:

- *Protocol 38c on the EEA Financial Mechanism (2014-2021), article 7; and*
- *Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, article 7.*

All projects and activities funded shall be based on the common values of:

- Respect for human dignity;
- Freedom;
- Democracy;
- Equality;
- Rule of law; and
- Respect for human rights, including the rights of people belonging to minorities.

All projects and activities supported by the Fund shall follow the principles of good governance; they shall be participatory and inclusive, accountable, transparent, responsive, effective and efficient. There shall be zero-tolerance towards corruption. All projects and activities supported by the Fund shall be consistent with sustainable development, long-term economic growth, social cohesion and environmental protection.

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<sup>1</sup> <http://eeagrants.org/>

<sup>2</sup> Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Greece, Cyprus, Malta and Portugal.

<sup>3</sup> Eligible countries are the 15 Beneficiary States, and Ireland, Italy and Spain.

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## 1. FOCUS OF THE CALL

### 1.1 Background

Unemployment, especially among young people, is one of the enduring negative consequences of the financial crisis in Europe. Despite positive tendencies in employment rates, youth unemployment (comprising the age group 15 to 24) in EU Member States is still over 18% on average (21% in the Eurozone).<sup>4</sup> In the countries worst hit by the crisis, the numbers are far higher: In July 2016 Spain had a youth unemployment rate of 44%, Greece 43,8% and Italy 38,4%. Other countries with a youth unemployment rate over 25% include Croatia, Cyprus and Portugal.

The effects of youth unemployment are serious and a threat to the development towards social and economic cohesion in Europe. To deny young people access to a decent, functional labour market is to waste human potential and talent, as well as previous investment in education and training. Unemployment puts young people at risk of poverty and social exclusion, challenging the individual's welfare as well as the economy and social fabric of the country in which he or she is living.

The youth unemployment rate is only partially a reflection of the situation among young Europeans, as it is limited to people between 15 and 24 who are conventionally unemployed. To measure the share of young people who are not employed, and not taking part in education and training, the concept *NEET* ("Not in Employment, Education or Training") has been developed. The EU has 4,6 million unemployed young people, but 6,6 million NEETs in this age group.

There are great variations between the EU Member States regarding NEET rates, with the highest rates found in Croatia, Bulgaria, Italy and Romania. The various groups within the NEET category have different characteristics and needs, but all NEETs share the common feature of not accumulating human capital through the labour market or education and training.

The current economic strategy of the EU highlights a strong focus on employment, social performance, investment and competitiveness, supported by European funds<sup>5</sup>. The background conditions that produce unemployment and poverty are addressed, aiming to tackle the disparities between and within the EU Member States. The European Social Fund (ESF) is EU's main financial instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens.

Combatting youth unemployment and addressing the needs of NEETs is one of the priorities highest on the European agenda. The most important policy incentive is the Youth Guarantee Council Recommendation which sets out a political agreement and objective: EU Member States should ensure that, within four months of leaving school or losing a job, young people under 25 can either find a quality job suited to their education, skills and experience or acquire the education, skills and experience required to find a job in the future through an apprenticeship, traineeship or continued education. For most EU Member States, implementing the Youth Guarantee requires in-depth structural reforms of training, job-search and education systems to improve the transition from school to work and the employability of young people. A key financial resource (next to the ESF) supporting the implementation of Youth Guarantee schemes in the EU Member States is the €6.4 billion Youth Employment Initiative (YEI) – a dedicated financial resource to support Youth Guarantee-type offers of employment, apprenticeships, traineeships and further education and training for young people and NEETs in the regions worst affected by youth unemployment. A recent report<sup>6</sup> on the Youth Guarantee indicates that the policy initiative has been successful, but maintains that more effort is needed to support "hard-to-reach" young people: those who are not registered with the public employment services, are low-skilled, have dropped out of school, and face multiple barriers to entering the labour market (such as poverty, social exclusion, discrimination, disability and poor mental health). In parallel, the quality of the offers and services provided to young people can be further improved. The same findings also apply to YEI-supported offers.

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<sup>4</sup> <http://ec.europa.eu/eurostat/documents/2995521/7752348/3-01122016-AP-EN.pdf/5f785386-b824-4b65-a09d-99d8bed9958a>

<sup>5</sup> [http://ec.europa.eu/europe2020/pdf/csr2016/cr2016\\_comm\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_comm_en.pdf)

<sup>6</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2629&furtherNews=yes>

Shared learning networks, projects and mobility initiatives are key in the ERASMUS+<sup>7</sup> funding supporting youth employment. Entities wanting to participate in ERASMUS+ may engage in a number of development and networking activities, including improvement of the professional skills of staff, other types of capacity building, and creating transnational cooperative partnerships with organisations from other countries in order to produce innovative outputs or exchange best practices. In addition, organisations facilitate learning mobility opportunities for students, staff, trainees, apprentices, volunteers, youth workers and other young people.

The EEA and Norwegian Financial Mechanisms 2014-2021 are set up to contribute to the reduction of social and economic disparities in Europe. Recognising the strong link between social and economic equality and participation in the labour market, measures addressing youth employment are encouraged throughout the various programmes of the EEA and Norway Grants. In addition, the EEA and Norway Grants Fund for Youth Employment specifically aims to support transnational project initiatives that promote sustainable and quality youth employment. The focus on transnational cooperation reflects the view that unemployment among youth is a common European challenge and common European solutions should therefore be explored.

### 1.2 Principles and priorities

As indicated under 1.1. *Background* above, EU funding is available for the EU Member States on a large number of initiatives targeting unemployment among youth. These initiatives range from long-term systemic changes in the education and labour policies of the EU Member States to small projects and activities with limited funding. This call seeks to *complement* existing EU funding on youth employment initiatives. Projects within areas that commonly do not receive EU funding are therefore particularly welcome.

The *target group* of this Fund is young people between 15 and 29, with a special focus on the 25-29 year olds. One main reason for this is that although the YEI supports young people under the age of 30, many of the eligible EU Member States primarily target young people under 25. Another reason is the difficult labour market that people aged 24+ have encountered the last years. By including the 25-29 year olds, the number of European NEETs increases from 6,6 million to almost 14 million people. Among the EU Member States eligible for funding under this call Bulgaria, Ireland, Italy and Slovakia have older NEET rates between 25-30% while Greece has a NEET rate of 32% (every third Greek person between 25 and 29 is not in employment, education or training)<sup>8</sup>. While the 15-24 year olds are still targeted by this Fund, projects developing solutions for the long-term unemployed, discouraged people who have stopped looking for work, inactive women caring for children or incapacitated adults, ethnic minorities including Roma, asylum-seekers, the low-skilled, people with mental health issues and the disabled are particularly welcome under this call.

The Fund aims to advance new and innovative solutions that focus on the specific needs of the target groups listed above. Activities and outputs within projects may happen on several levels, both systemic (e.g. developing formal educational modules; develop systematic cooperation with non-traditional stakeholders) and personal (e.g. attending to the individual needs of the members of the target group). Suggested measures include but are not limited to:

- Efficient practices that develop sustainable jobs;
- Innovative solutions on how to prepare and train young people for structural labour market changes like digitalisation and smart automation;
- Widening involvement of stakeholders, including the social services, child/youth services, medical and psychiatric professionals, parents, etc.;
- Involvement of non-traditional employers and sectors, for instance NGOs, civil society organisations and SMEs;
- Outreach strategies;
- The development or involvement of social entrepreneurship/enterprises;
- Innovative start-up support to young entrepreneurs;
- Community-based approaches;

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<sup>7</sup> [http://ec.europa.eu/programmes/erasmus-plus/node\\_en](http://ec.europa.eu/programmes/erasmus-plus/node_en)

<sup>8</sup> <https://www.socialjustice.ie/sites/default/files/file/Policy%20Issues/Work,%20unemployment,%20job-creation/2012-10-22%20-%20NEET%20Eurofound%20Study.pdf>

- Family learning (learning activities that involve all family members, where learning outcomes are intended for all, contributing to a culture of learning in the family);
- New mentoring and coaching approaches;
- Development of new flexible solutions, e.g. in entry qualification requirements to educational institutions or in work contracts for apprentices;
- Experimental pedagogy and didactics;
- Innovative focus on employability and soft skills development;
- Mixing informal, non-formal and formal learning arenas;
- Innovative apprenticeship modules and work-based learning;
- Innovative mobility measures and job placements; and
- Experimental gender mainstreaming strategies.

The added value of this Fund compared to other initiatives of the EEA and Norway Grants is its *transnational* focus. The main idea of the Fund is to help entities across Europe pooling their efforts to find new ways of dealing with urgent, common concerns such as youth unemployment. This is in line with the Europe 2020 strategy and the EU cohesion policy that takes account of the crucial role the regions and cross-border cooperation play for smart, sustainable and inclusive growth. The Fund supports this policy by funding transnational consortia that work together on common challenges, and learn from each other through dialogue and the exchange of good practice leading to mutual and accelerated learning and the replication of successfully tested solutions. Activities, outputs, outcomes and the impact of the Fund shall therefore be transnational in nature and the added value of the transnational dimension should be clearly described in the concept notes. The projects could complement transnational activities implemented in the context of the ESF transnational cooperation projects.

All projects supported under this Fund need to follow a results and risk management approach. Projects need to define a) their proposed activities and their expected outputs, b) why they think those activities are going to be successful and c) provide any evidence they have to support this intervention logic.

### 1.3 Support areas

This call for transnational projects addressing youth unemployment has three principal support areas:

- a) *Innovation and exploration*
- b) *Transfer of know-how and good practice*
- c) *Analysis and research*

Each of these support areas are described below. All support areas imply networking and close cooperation with entities in other eligible countries, including expertise partners established in a Donor State, in a non-eligible EU Member State or an international organisation if relevant. **Support areas may be combined.**

#### 1.3.1 Innovation and exploration

Under this area the Fund seeks projects that focus on new, experimental solutions to combat unemployment among the target groups and increase the number of sustainable jobs for young people.

The support area implies the pioneering of solutions and the application of unconventional practices. The applicants under this support area must substantiate in the concept note that their ideas are new to their field, sector, target group or countries involved.

Project consortia that would like to transfer or test known practices developed by others, should apply for funding under the support area below ("Transfer of know-how and good practice").

#### 1.3.2 Transfer of know-how and good practice

Under this support area the Fund seeks projects that focus on transferring know-how and good practice on youth employment initiatives across European countries, with the ultimate goal of creating more quality jobs and lower unemployment rates among youths within the target groups listed above.

However, to ensure successful transfers, projects that seek to replicate or copy good practice must include in the concept notes analyses of the specific context, conditions and structures of the original practices, as well as suggestions on how these will transfer to a new context.

Below four activities are listed. These may serve as inspiration for applicants, or examples of know-how and good practice that may be transferred or developed further by transnational project consortia.

### ***The European Commission's paper on 20 principles for quality apprenticeships and work-based learning***

The European Commission considers apprenticeships and other forms of work-based learning key in reforming vocational education and training (VET) and tackling youth unemployment. In the 2015 Riga Conclusions, the EU made a commitment to "promote work-based learning in all its forms, with special attention to apprenticeships, by involving social partners, companies, chambers and VET providers, as well as by stimulating innovation and entrepreneurship"<sup>9</sup>. To obtain these goals, the EU supports investments in the Member States to address systemic changes within the education and labour market sectors. Shared learning networks, projects and mobility initiatives are also key. High-level stakeholders work together to strengthen the quality, supply and image of apprenticeships in Europe. The Commission's Working Group on VET focuses on effectively implementing national VET reforms which set up or strengthen work-based learning and apprenticeships.

However, despite this attention, apprenticeships and work-based learning face many challenges. The supply of apprenticeships in Europe remains undeveloped, due to a number of factors, including low attractiveness of VET, systemic weaknesses and distrust between social partners. Only 25% of students in initial VET attend work-based programmes. Mobility measures seem not to benefit disadvantaged students, who may lack basic skills and have other challenges that are not adequately catered for in mobility schemes. Immigrants, the disabled, people belonging to the minorities, and students with low academic performance are underrepresented in apprenticeship schemes. In addition, VET programmes with apprenticeship modules often display a severe gender divide.

The European Commission has published a paper with 20 guiding principles on how to create high-performance apprenticeships and work-based learning<sup>10</sup>. The guiding principles were developed by the ET2020 Working Group on VET in 2014-15 during a series of meetings, in-depth country focus workshops and webinars. Representatives of the EU Member States, EFTA countries, Candidate countries as well as EU social partners and VET provider organisations, Cedefop and the European Training Foundation participated in the working group, which was chaired by the European Commission. Most of these principles are already a reality in countries with dual VET systems, or there are professional drivers that promote them.

### ***The Pueblo Project***

The Pueblo Project ("Pøbelprosjektet"<sup>11</sup>), which was launched by the Norwegian Eddi Eidsvåg in 2007, is successfully addressing young people who lack the self-discipline and social skills required for the labour market. They are often secondary school drop-outs who have failed in conforming to the traditional school system and may end up as juvenile delinquents.

The project provides an intensive, six-week training programme and a rich and growing array of follow-up activities. With its "tough love" approach, the Pueblo Project has succeeded in evoking in its participants both a heightened sense of self-worth and a deeper understanding of the consequences of dropping out, and it also serves as an effective substitute for the absence of a supportive family structure in the lives of most of the participants.

Complementing those activities, the Pueblo Project has also developed effective linkages with more than a thousand employers across Norway who regard the successful completion of the project's training programme as a trusted "seal of approval" when they are hiring new, entry level employees.

The Pueblo Project is a Norwegian success story. In the period 2007-2015 about 2,200 young people entered the programme. Only 9% discontinued the programme, while the remaining 2,000 are either working (50%), in education or training (20%), taking part in other work-based learning activities (29%) or receive treatment or participate in other types of initiatives (1%).

<sup>9</sup> [https://eu2015.lv/images/notikumi/VET\\_RigaConclusions\\_2015.pdf](https://eu2015.lv/images/notikumi/VET_RigaConclusions_2015.pdf)

<sup>10</sup> <http://ec.europa.eu/social/BlobServlet?docId=14881&langId=en>

<sup>11</sup> <http://pobelprosjektet.no/om-oss/>

### ***The Norwegian Labour and Welfare Administration's (NAV) youth teams***

Norway currently has a minimum of one NAV office in each of its 428 municipalities, in which the number of employees varies from 2-3 to 200. Each local NAV office is relatively free in how they organise assistance to young people. There is however a distinction between municipal NAV offices with a youth team and/or youth contacts that have specialised in following up unemployed youth, and offices where youths are followed up in line with all other users. Research shows that counsellors at the offices that have youth teams are more satisfied with the service they provide. These offices also work more closely with other important sectors (education, health, labour market, etc.). A 2015 web-survey showed that 83 percent of the biggest NAV offices were organised with specialised youth teams/youth contacts.

Young users of NAV are a varied group with complex challenges and specific follow-up requirements. Some young people have completed their education and have prior work experience. Their need for assistance is limited and short-term. Other young NAV users are at risk, with far more complex issues and more extensive follow-up requirements. Challenges for these may be drop-out from education, social adjustment difficulties or (mental) health problems. Young people have distinctive follow-up needs, as they need attentive and personalised service. This service is most successful if provided swiftly, and when the counsellors are readily available and close to the users. Youth teams follow up young users under 30 (or 24), regardless of their challenges or rights to benefits. The youth teams aim to provide young people with the same counsellor throughout the service period, and they often have fewer users than other counsellors. The counsellors closely follow up youth at risk with coordinated services related to education, finance, housing, activities, health and contact with employers.

### ***Promoting the validation of prior non-formal and informal learning***

Novel initiatives within validation of prior learning were developed in Iceland in order to combat high drop-out rates and unemployment rates that followed the financial crisis. Validation of prior learning is a systematic process whereby the knowledge, competence and skills an individual has gained through various activities - such as work experience, work-related learning, non-formal and informal learning, formal learning, social activities and family life - are formally documented and validated based on standards from curricula on Upper Secondary School level or specific job criteria. The results can be used in a variety of ways: accessing secondary education, documenting learning outcomes in school curricula towards obtaining a qualification, increasing one's opportunities in one's current job, increasing one's employability in the labour market and getting certification or authorisation in various sectors.

The validation measures are coordinated by the Education and Training Service Centre (ETSC) which was established in 2002. The ETSC is based on a partnership between the Icelandic social partners, the Federation of State and Municipal Employees, the Ministry of Finance and the Association of Local Authorities. The methodology developed has proven to be a highly efficient tool in motivating and empowering people with little formal education towards further lifelong learning. Career guidance is an integral part of the process. The validation measures are conducted in cooperation with the Ministry of Education, Science and Culture, social partners and regional lifelong learning centres.

The role of the Education and Training Service Centre (ETSC<sup>12</sup>) is to ensure quality and guarantee that the approved methodology is implemented in the sectors where validation is being applied, as well as support the implementation of the validation process in new sectors. On continuing projects, ETSC provides guidance, but when initiating validation in new sectors, it is very actively involved: Specialists from ETSC are members of project steering groups, provide counselling to partners, coordinate training for validation staff and publish guidelines and checklists.

#### ***1.3.3 Analysis and research***

The EU Member States have over the last years allocated significant sums to new initiatives addressing young unemployed people and NEETs. There is however a lack of studies evaluating these new initiatives as well as a need to build the capacity of national research agencies and institutions to perform impact studies. Since many EU Member States have adopted similar initiatives the Fund will support transnational research networks that share learning (ideas, theories, practices and experiences) on how to evaluate and perform impact studies of initiatives aiming to address youth employment in the eligible countries. The inclusion of expertise partners from other EU Member States, Donor States and international organisations should be considered. The Fund also welcomes joint applications from cooperating research institutions planning to increase their capacity by supporting PhD candidates within the field of impact studies.

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<sup>12</sup> <http://www.frae.is/um-okkur/about-us/>

Transnational analyses and evaluations of interventions targeting older (25+) NEETs and disadvantaged groups are specific priorities of the Fund.

Examples of interventions that could be analysed include, but are not limited to:

- Training (e.g. evaluating outcomes of new programmes or modules within or outside formal education and training that offer skills development to young people in order to improve their employability and facilitate their transition to the labour market);
- Interventions to deter drop-out from education and training or encourage drop-outs to go back to school;
- Entrepreneurship (e.g. evaluating outcomes of initiatives providing entrepreneurial skills);
- Employment services (e.g. evaluating public employment initiatives that provide counselling, job search assistance and work placements);
- Wage subsidies programmes or similar interventions;
- Social and financial support to unemployed young people;
- Community-based initiatives; and
- Initiatives specifically targeting the most disadvantaged or vulnerable groups.



## 2. ELIGIBLE CONSORTIA

Projects shall involve entities from at least two countries, including at least one Beneficiary State<sup>13</sup>. Each project must include one lead partner and at least one beneficiary partner.

- Eligible lead partner: any eligible entity established in a Beneficiary State;
- Eligible beneficiary partner: any eligible entity established in a Beneficiary State, Ireland, Italy or Spain;
- Expertise partners can be any eligible entity established in a Donor State, in a non-eligible EU Member State or international organisations.

**Project partners are the consortium members, including the lead partner, the beneficiary partner(s) and any expertise partner(s).**

Only entities established in one of the 15 Beneficiary States can apply for funding and perform the tasks of lead partner<sup>14</sup> in the project consortia. Entities established in one of the 15 Beneficiary States or in Ireland, Italy or Spain can join the consortia as beneficiary partners.

There is no limit on the maximum number of beneficiary partners. The establishment of project consortia with more members than the minimum is considered favourable. However, the size of the partnership must be duly justified in order to reflect the specific scope of the project as well as to remain manageable.

Eligible project partners may be entities, public or private, commercial or non-commercial and non-governmental organisations, established as legal persons, including but not limited to:

- Municipalities, organisations owned or partly owned by municipalities, associations of municipalities;
- Regions, organisations owned or partly owned by regions; associations of regions;
- Organisational units of central government, organisations partly funded by central government units, state enterprises, state organisations;
- Public and private education and research institutions;
- Civil society organisations, non-profit organisations, social enterprises, interest associations of legal persons, foundations and endowment funds;
- Commercial companies;
- Cooperatives (manufacturing, housing, consumer);
- Business support organisations (incubators, start-up centres, etc.); and
- Social partners (trade unions, sector associations, employer associations, chambers of commerce and industry).

Sole proprietorships and natural persons are not eligible consortium members. Consortium members must be directly responsible for the implementation of the project for which they are seeking a grant, and must not act merely as an intermediary of project activities.

### Support of projects with expertise partners

Projects under the Fund are intended to benefit identified target groups within the 15 Beneficiary States, Ireland, Italy or Spain. The consortia may invite expertise partners to support the projects by bringing added value by way of sharing expertise, experience and know-how.

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<sup>13</sup> Beneficiary States of the EEA and Norway Grants are Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Greece, Cyprus, Malta and Portugal.

<sup>14</sup> See definitions in Chapter 8. In exceptional cases, the FMC may decide that an entity established in a Donor State or an international organisation may take on the role of lead partner, provided that the other requirements for the composition of consortia are satisfied.

The concept note shall list the expertise partners to be involved in the project and describe their relevant work achievements and why they are considered necessary to reach the objectives of the project.

Bilateral relations between Beneficiary and Donor States shall be encouraged in line with the overall objective of the EEA and Norway Grants.

The reason for inviting expertise partners into the consortia is to provide benefit to the target groups in the 15 Beneficiary States as well as Ireland, Italy and Spain, as outlined in this call. Target groups or other stakeholders in the countries of the expertise partners cannot benefit directly from the Fund. However, expertise partners may expect to benefit from project involvement through professional cooperation, promoting extended and strengthened European networking and the mutual development and exchange of information and good practice.

### **Role and provisions for project consortia**

The purpose of transnational partnerships is to ensure the close mutual cooperation of various types of organisations with different skills, knowledge and experiences in handling youth employment issues. Transnational partners shall also help to ensure project sustainability.

A partnership is a contractual relationship between two or more entities, which is based on shared responsibility for project implementation. Partners are jointly involved in project preparation and implementation during the drawing-up of the concept note and later the project application, the implementation of the project, and the completion of the project. The project partners work together in a multinational partnership to reach the objectives which are to be realised through the implementation of the project. All project partners must be actively involved in, and effectively contributing to, the implementation of the project, i.e. the partnership must be substantiated and sustainable within the consortium.

During project preparation one partner entity, established in one of the 15 Beneficiary States, is to be named lead partner. The lead partner has the following role in the consortium:

- It will be responsible for submitting the concept note and later the project application;
- It will enter into a contractual relationship with the fund operator (project contract);
- It will be responsible for the contact with the fund operator on behalf of the consortium;
- It will be responsible for entering into a contractual relationship with the other beneficiary partners as well as expertise partners within the framework of a Partnership Agreement;
- It will receive and distribute the project grant to the other members of the consortium; and
- It will be responsible for the reporting of project performance and results to the fund operator.

The nature of legal relationships between the lead partner and the other beneficiary partners must not rest upon service provision; i.e. the cooperation is not of a supplier-customer character and the consortium must not be of a commercial character. The creation and implementation of the relationship between the lead partner and the beneficiary partner and/or any expertise partner shall comply with the applicable European Union law on public procurement.

During the project development phase the project partners must make clear how they will undertake the management of the project, how work tasks will be allocated, which measures they will take to ensure that high quality standards are applied by all consortium partners, how they will monitor the achievement of objectives and how they will take appropriate corrective measures if and when necessary during the project period. The lead partner shall sign a Partnership Agreement with all project partners (both beneficiary and expertise partners).

All contractual relationships between the lead partner, beneficiary partner(s) and expertise partner(s), their roles in the projects, scope of activities, responsibility and definition of mutual rights and obligations during the project implementation are addressed in the Partnership Agreement.

### 3. PROJECT DURATION

The project duration must be taken into account in the development of the concept note. Long-term project funding could be considered for example where pilots are being developed, for projects which are focused on change processes and the development of new methodologies, or in the case of projects involving capacity building. Long-term funding may also be needed for larger-scale projects.

The final date for eligibility of expenditures for projects is **30th April 2024 at the latest.**

Unless a later date is provided in the decision to approve the project grant or in the project contract, expenditure incurred shall be eligible as of the date on which the Financial Mechanism Committee decides to award the project grant.

The first and final dates of eligibility of each project shall be stated in the project contract for that project.



## 4. FINANCIAL PROVISIONS

The available budget under this call is EUR 60.61 million.

The amount of grant assistance applied for within a project shall not be less than EUR 1 million.

There is no maximum grant amount per project. The Financial Mechanism Committee reserves the right not to award all the available funds, to re-publish this call or to re-allocate the funds to subsequent calls or other activities.

### Project co-financing

The project consortium is required to provide project co-financing. The grant cannot constitute more than 85% of the total eligible costs of the project. The required co-financing may be provided by one or more partners, as decided among themselves.

In case of project partners with the status of non-governmental organisations, in-kind contribution in the form of voluntary work may constitute up to 50% of the co-financing required for the project. In exceptional cases, and subject to approval by the FMC, in-kind contribution in the form of voluntary work may constitute up to 100% of the co-financing required.

### Budget

The indicative project budget is part of the concept note (see Chapters 6 and 7) and must be drawn up in euros.

### No-profit principle

The grant may not have the purpose or effect of producing a profit within the context of the project.

Any **net revenue** generated as a direct consequence of the project must be deducted from the amount of total eligible expenditure of the project.

### General criteria for eligibility of expenditure

Eligible expenditures of projects are those **actually** incurred within the project by the project partners, which meet the following criteria:

- (a) They are incurred between the first and final dates of eligibility of a project as specified in the project contract;
- (b) They are connected with the subject of the project contract and they are indicated in the detailed budget of the project;
- (c) They are proportionate and necessary for the implementation of the project;
- (d) They must be used for the sole purpose of achieving the objective(s) of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- (e) They are identifiable and verifiable, in particular through being recorded in the accounting records of the project partner and determined according to the applicable accounting standards and generally accepted accounting principles; and
- (f) They comply with the requirements of applicable tax and social legislation.

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Depreciation of equipment is considered to have been incurred when they are recorded on the accounts of the project partner.

### **Eligible direct expenditure**

The eligible direct expenditures for a project are those expenditures which are identified by the project partners, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly.

In particular, the following categories of direct expenditures are eligible provided that they satisfy the general criteria for eligibility of expenditure:

- The cost of staff assigned to the project, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the partner's usual policy on remuneration. The corresponding salary costs of staff of national administrations are eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;
- Travel expenses and related subsistence allowances, provided that these costs are in line with the partner's usual practices on travel. Any accommodation allowances must not exceed the per diem rates published on the [http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems\\_en](http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems_en);
- Costs of consumables and supplies, provided that they are identifiable and assigned to the project;
- Cost of equipment provided that it is depreciated in accordance with generally accepted accounting principles applicable to the project partner and generally accepted for items of the same kind. Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be eligible. In case the project partner determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price may exceptionally be eligible;
- Costs arising directly from the requirements imposed by the project contract (dissemination activities, report by an independent auditor, translations, cost of financial guarantees etc.);
- Costs entailed by other contracts awarded by a project partner for the purposes of carrying out the project;
- Non-recoverable value added tax (VAT).

### **Eligible indirect costs**

A flat rate of 15% of the total eligible staff costs of the project is eligible under indirect costs, representing the general administrative costs which can be regarded as chargeable to the project.

### **Ineligible costs**

The following costs shall not be considered eligible:

- (a) Interest on debt, debt service charges and late payment charges;
- (b) Charges for financial transactions and other purely financial costs, except costs specifically required by the applicable law and costs of financial services imposed by the project contract;
- (c) Costs related to purchase of land or real estate;
- (d) Provisions for losses or potential future liabilities;
- (e) Exchange rate losses;
- (f) Recoverable VAT;
- (g) Costs that are covered by other sources;
- (h) Fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and
- (i) Excessive or reckless expenditure.

### **Procurement**

Applicable national and European Union law on public procurement shall be complied with at any level in the implementation of the projects. The award of contracts (including the procedures prior to the award) and the terms and conditions of such contracts shall, in line with the principle of proportionality, comply with best economic practices, including accountability, allow a full and fair competition between potential providers and ensure the optimal use of resources from the Fund. The highest ethical standards, as well as the avoidance of any conflict of interests, shall be observed during the procurement and execution of contracts.

### **State aid**

Any support under the Fund shall comply with the procedural and substantive state aid rules applicable at the time when the support is granted. Potential state aid implications will be examined at the time of project application review and may result in rejection or recommendations for changes to the project application.

### **Currency for financial reporting and payments**

Payments of the grant shall be made in euro. Financial reports must be drawn in euro. Project partners must convert the costs incurred in another currency using the monthly accounting exchange rate established by the European Commission for the month during which the expenditure was registered in the accounts of the project partner:  
[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm).

## 5. INFORMATION AND COMMUNICATION ACTIVITIES

Requirements on effective communication and dissemination of results in projects will be inserted in the project contracts to be concluded between the fund operator and the lead partners.

These requirements include, but are not limited to:

- The implementation of project level communication plans, with clear measures to ensure visibility of the EEA and Norway Grants Fund for Youth Employment and public awareness of the projects. The lead partners shall ensure that information on the projects is available to the widest possible audience and across the countries involved in the implementation of the projects as well as Iceland, Liechtenstein and Norway;
- A clear acknowledgement of the contribution of Iceland, Liechtenstein and Norway through the EEA and Norway Grants in all publications and activities for which the Fund is used. This includes to give prominence to the name of the three Donor States and logos of the EEA and Norway Grants on all publications, posters, webpages and other products and infrastructure, as well as any events realised under the projects;
- A responsibility to establish dedicated websites in English for the projects. These websites shall include information about the projects, their progress, achievements and results, relevant photos and/or videos, contact information, a clear reference to the EEA and Norway Grants Fund for Youth Employment as well as general information about the three Donor States and the EEA and Norway Grants;
- The obligation to organise at least one major and two minor annual information activities on progress, achievements and results in the projects, such as a seminar or a conference with stakeholders, a press conference or press event; and
- The obligation to arrange a launch activity/event as well as a closing activity/event for the projects.

Costs related to information and communication activities should be included in the estimated budget of the concept note.



## 6. EVALUATION AND SELECTION OF APPLICATIONS

This call follows a two-step evaluation procedure. In the first step, only concept notes shall be submitted for evaluation. Successful applicants from the first step will be invited to submit a full project application.

### Concept note phase

No later than **01.08.2017**, applicants are invited to submit a project concept note briefly describing the project idea, project activities and outputs, the members of the project consortium and a tentative budget.

The concept notes will be reviewed by the fund operator and the FMO against the following criteria:

- ADMINISTRATIVE criteria: The concept note is drawn up in English, and project costs are presented in EUR. The concept note is submitted before the deadline in the prescribed format;
- ELIGIBILITY criteria: The applicants are eligible entities and their proposed consortium set-up is in line with the requirements of the call; the budget proposal is within the parameters set for the call;
- SELECTION criteria, see table below:

Selection criteria	Maximum score
The concept note demonstrates a strong understanding of the thematic issues to be addressed	15
The concept note outlines a clear and sound strategy to meet the objectives of the call	20
The concept note clearly outlines the added benefits of a transnational project consortium	10
Composition of the consortium (number of countries/beneficiary partners involved, involvement of expertise partners)	5
<b>Total score</b>	<b>50</b>

Only applicants that pass the administrative and eligibility criteria will be evaluated against the selection criteria. Applicants that are found not to pass the administrative or eligibility criteria have a right to appeal at this stage. Appeals shall be submitted to the fund operator, within 10 calendar days of the notification. Only applicants that receive more than 30 points on the above criteria will be shortlisted and invited to continue to the second phase. The FMO may, in order to ensure a geographical spread, targeted use of the resources available and avoid duplication, exclude any concept note at this stage.

The FMO offers no guarantees that a concept note that has fulfilled the criteria for stage 1 will be selected in the second round of the procedure.

### Full application phase

Shortlisted applicants will be invited to submit a full project application before a final deadline. All required application modalities will be provided to the shortlisted applicants at this stage, including the administrative, eligibility, exclusion and award criteria for the selection of project proposals.

In this phase the FMO will organise events to support the further development of project concept notes in line with the objectives of the Fund. Limited funding shall be made available to shortlisted applicants for the purposes of such project preparation. Information about such events will be published on the webpage of the Fund.

## 7. FURTHER INFORMATION ON THE PREPARATION OF CONCEPT NOTES

Concept notes must be in line with the principles and priorities set out in Chapter 1. Applicants are invited to present concept notes on projects that are transnational in nature, follow a results-based management approach, and conform to the target group requirements.

The project idea must be formulated **concisely, clearly** and **accurately** and be clearly linked to the support areas of this call. Vague concept notes will not be considered. Applicants need to describe the particular needs of their target group(s). The concept note must also clearly describe the rationale behind the activities proposed, drawing on research, studies, observations and own experience within the field. The template for the concept note is annexed to this call.

The elements outlined in the concept note may not be substantially modified by the applicant in the full project application (step 2). The consortium members included in the concept note must also be included in the full project application, however additional partners may be proposed. The project budget may not substantially vary from the initial estimate.

Eligible consortia may submit a maximum of one concept note and consortium members may not participate in other project consortia under this call.

Concept notes must be drawn up in English. The budget estimate must be presented in EUR.

The concept note shall be submitted electronically via the fund operator's system (EGREG) by **01.08.2017 (12:00 noon CET)**. No modification to the concept note is allowed once the deadline for submission has elapsed.

Answers to the preparation of concept notes will be provided during the period the call is active. Technical issues are solved via the EGREG help desk. Other questions may be sent electronically by e-mail to the following account: [eeagrants@ecorys.com](mailto:eeagrants@ecorys.com). Answers will be published on the webpage of the Fund, [www.eeagrants.org/xxxx](http://www.eeagrants.org/xxxx). The applicants may also seek information in one of the info hubs listed at the fund operator's website.

Applicants have no legal entitlement to the award of a grant.

### Indicative timetable

No	Stages	Dates
1	Deadline for submitting concept notes	01.08.2017
2	Notification of applicants of the results of the assessment of the concept notes	20.09.2017
3	Deadline for submitting full project applications	01.11.2017
4	Notification on selection of projects	31.12.2017

### Further information

EEA Grants - Norway Grants, the Financial Mechanism Office, tel: +32 (0) 2 286 1701, fax: +32 (0) 2 286 1889, e-mail: [xxx-fmo@efta.int](mailto:xxx-fmo@efta.int). Postal address: 12-16 Rue Joseph II, 1000 Brussels, Belgium. Visiting address: 47-48, Boulevard du Régent, 1000 Brussels, Belgium.

EEA and Norway Grants website: <http://eeagrants.org> and <http://norwaygrants.org>

EEA and Norway Grants Fund for Youth Employment website: <http://eeagrants.org/xxx>

ECORYS Polska (fund operator), [www.ecorys.pl](http://www.ecorys.pl) Address: Solec 38, office 105, Warsaw 00-394, Poland.

## **8. DEFINITIONS**

### **Beneficiary partner**

A beneficiary partner is an eligible entity established in Ireland, Italy, Spain or any of the 15 Beneficiary States of the EEA and Norway Grants (Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Greece, Cyprus, Malta and Portugal) that together with the lead partner, other beneficiary partners and any expertise partners form the transnational project consortium that will carry out a project.

### **Beneficiary State**

The Beneficiary States of the EEA and Norway Grants are Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Greece, Cyprus, Malta and Portugal.

### **Donor State, Donors**

The Donor States are Norway, Iceland and Liechtenstein.

### **Eligible country**

The eligible countries for this call for proposals are Ireland, Italy, Spain, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Greece, Cyprus, Malta and Portugal.

### **Eligible entity**

An eligible entity is an entity established as a legal person in one of the eligible countries that may apply for funding under this call. See Chapter 2 for an overview of eligible entities.

### **Expertise partner**

An expertise partner is any entity established as a legal person in a Donor State, in a non-eligible EU Member State or an international organisation that may contribute with expertise relevant to a project under this call.

### **Financial Mechanism Committee**

The Financial Mechanism Committee (FMC) is the decision-making body for the EEA Grants. The committee consists of representatives of the Ministries of Foreign Affairs of Iceland, Liechtenstein and Norway. The FMC draws up policy and guidelines, approves each programme allocation and ensures monitoring, control, and evaluation of the Grants. The Norwegian Ministry of Foreign Affairs is the decision-making body for the Norway Grants.

### **Financial Mechanism Office**

The Financial Mechanism Office (FMO) is the Brussels-based secretariat for the Grants. The FMO is affiliated to the European Free Trade Association, but reports to the Foreign Ministries of Iceland, Liechtenstein and Norway. The FMO also serves as a contact point for the Beneficiary States.

**Fund operator**

The fund operator, the consortium Ecorys Polska/JCP, takes on the administrative and technical tasks related to implementation of the Fund. Its responsibilities, amongst others, are disseminating calls for proposals, project contracting, verification of payment claims, and implementing the audit and monitoring functions. The fund operator follows up implementation and maintains day-to-day contact with the project partners. The fund operator is responsible for the administrative and eligibility checks of projects for the FMO's review and ranking.

**Lead partner**

During the project implementation one partner entity, based in one of the 15 Beneficiary States, is to be named lead partner. The lead partner has a specific role in the consortium, see Chapter 2.